

House Study Bill 563 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON MILLER)

A BILL FOR

1 An Act establishing asset, income, and identity verification
2 requirements for medical assistance applicants and
3 recipients.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. MEDICAL ASSISTANCE PROGRAM — ASSET, INCOME, AND
2 IDENTITY VERIFICATION.

3 1. The department of human services shall contract with
4 a third-party vendor to develop and implement procedures
5 for verifying the income, assets, and identity of medical
6 assistance program applicants and recipients, whose eligibility
7 for medical assistance is based upon the applicant's or
8 recipient's age, blindness, or disability, to prevent
9 fraud, misrepresentation, and inadequate documentation when
10 determining an applicant's eligibility for assistance prior
11 to the distribution of benefits and during eligibility
12 redeterminations and reviews. The procedures developed shall
13 ensure that the verifications apply to every case. Each
14 verification shall include utilization of the asset, income,
15 and identity verification system established under this
16 section.

17 2. The department of human services shall contract with
18 a third-party vendor to establish a computerized asset,
19 income, and identity eligibility verification system to
20 complete the eligibility determinations, redeterminations,
21 and reviews specified in subsection 1. The vendor shall be
22 able to demonstrate access to a current financial institution
23 network representing at least ninety percent of the financial
24 institutions in the state and nationally.

25 3. As a condition of awarding or continuing assistance under
26 the medical assistance program, the department shall verify
27 the name, date of birth, and social security number of each
28 applicant and recipient as specified in subsection 1 against
29 the following public records:

30 a. A nationwide public records data source of physical
31 asset ownership such as real property, automobiles, watercraft,
32 aircraft, and luxury vehicles.

33 b. A nationwide public records data source of incarcerated
34 individuals.

35 c. A comprehensive public records database that identifies

1 potential identity fraud or identity theft that can closely
2 associate name, social security number, date of birth,
3 telephone, and address information.

4 4. Pursuant to 42 U.S.C. §1396w, the director of
5 human services shall enter into agreements with financial
6 institutions in this state to operate the financial record
7 matching program applicable to applicants for or recipients of
8 medical assistance whose eligibility for medical assistance
9 is based upon the applicant's or recipient's age, blindness,
10 or disability for the purpose of verifying the assets of the
11 applicant or recipient. Under the financial record matching
12 program, and with the authorization of the applicant for or
13 recipient of medical assistance, the department of human
14 services may request and receive from any financial institution
15 doing business in this state or nationally the financial
16 records of the applicant or recipient. Within fifteen days
17 of the department's request, the department shall collect
18 the current account balance information for open and closed
19 accounts for a period of up to the sixty previous months. The
20 department shall systematically canvass financial institutions
21 nationally, regionally, and locally.

22 a. The department of human services or any financial
23 institution that discloses financial records under this
24 subsection shall not be subject to civil liability or criminal
25 prosecution which is based upon its disclosure under this
26 section, or for any other action taken in good faith to comply
27 with the requirements of this section.

28 b. Any records established or information collected
29 pursuant to the provisions of this subsection shall be made
30 available only to the director of human services or the
31 director's designee, the applicant or recipient, and the
32 applicant's or recipient's authorized representative as
33 provided by the rules of the department. Such records and
34 information shall be available and used only for purposes
35 directly connected with the determination and verification

1 of eligibility for medical assistance for applicants and
2 recipients whose eligibility for medical assistance is
3 based upon the applicant's or recipient's age, blindness, or
4 disability. The records and information made available to
5 the applicant or recipient, or the applicant's or recipient's
6 authorized representative shall not include information
7 provided to the department that is prohibited from release by
8 federal or state law or under contract or agreement between the
9 department and another entity if such contract or agreement
10 prohibits release of such information.

11 5. The department of human services shall provide a status
12 report regarding the implementation of this Act six months
13 after the date of implementation to the governor and the
14 general assembly. The report shall summarize the department's
15 time and labor associated with implementation of this Act,
16 the feedback and reactions of applicants and recipients, any
17 barriers to implementation that were overcome, anticipated
18 future actions, and the department's assessment of the relative
19 success of the implementation.

20 6. As used in this section, "financial institution" means
21 financial institution as defined in 12 U.S.C. §3401.

22 7. If an applicant for or recipient of medical assistance
23 who is eligible on the basis of age, blindness, or disability
24 refuses to provide or revokes any authorization to the
25 department of human services to have access to the individual's
26 asset, income, and identity records as provided in this
27 section, the department may, on that basis, deny or terminate
28 eligibility for medical assistance.

29 8. The department of human services shall adopt rules
30 pursuant to chapter 17A to administer this section.

31 EXPLANATION

32 The inclusion of this explanation does not constitute agreement with
33 the explanation's substance by the members of the general assembly.

34 This bill relates to asset, income, and identity
35 verification for medical assistance applicants and recipients

1 who are eligible based upon age, blindness, or disability.
2 The bill directs the department of human services (DHS) to
3 contract with a third-party vendor to develop and implement
4 procedures for verifying the income, assets, and identity of
5 medical assistance program applicants and recipients who are
6 eligible based upon their age, blindness, or disability to
7 prevent fraud, misrepresentation, and inadequate documentation
8 when determining an applicant's eligibility for assistance
9 prior to the distribution of benefits and during eligibility
10 redeterminations and reviews. Each verification is required
11 to include utilization of the asset, income, and identity
12 verification system to be established under the bill. DHS is
13 directed to contract with a third-party vendor to establish
14 a computerized asset, income, and identity eligibility
15 verification system. The vendor must demonstrate access to a
16 current financial institution network representing at least
17 90 percent of the financial institutions in the state and
18 nationally.

19 As a condition of awarding or continuing assistance under
20 the medical assistance program, DHS is required to verify
21 the name, date of birth, and social security number of each
22 applicant and recipient whose eligibility is based on age,
23 blindness, or disability against certain public records
24 specified in the bill.

25 The bill directs DHS to enter into agreements with financial
26 institutions in the state to operate the financial record
27 matching program as required under federal law. Under such
28 program, and with the authorization of the applicant or
29 recipient, DHS may request and receive from any financial
30 institution doing business in this state or nationally
31 the financial records of any applicant for or recipient of
32 medical assistance whose eligibility for medical assistance is
33 based upon the applicant's or recipient's age, blindness, or
34 disability. DHS must, within 15 days of the request, collect
35 the current account balance information for open and closed

1 accounts for a period of up to the 60 previous months. DHS
2 must systematically canvass financial institutions nationally,
3 regionally, and locally.

4 The bill provides for immunity from civil liability and
5 criminal prosecution for DHS and any financial institution that
6 discloses financial records under the bill or for any other
7 action taken in good faith to comply with the requirements of
8 the bill.

9 Any records established or information collected under the
10 bill are only available to the director of human services
11 or the director's designee, the applicant or recipient, and
12 the applicant's or recipient's authorized representative as
13 provided by the rules of the department. The records and
14 information are to be available and used only for purposes
15 directly connected with the determination and verification
16 of eligibility for medical assistance for applicants and
17 recipients whose eligibility for medical assistance is
18 based upon the applicant's or recipient's age, blindness, or
19 disability. The records and information made available to
20 the applicant or recipient, or the applicant's or recipient's
21 authorized representative, shall not include information
22 provided to the department that is prohibited from release by
23 federal or state law or under contract or agreement between the
24 department and another entity if such contract or agreement
25 prohibits release of such information.

26 DHS is directed to provide a status report to the governor
27 and the general assembly regarding the implementation of the
28 bill six months after the date of implementation. The report
29 shall summarize the department's time and labor associated
30 with implementation of the bill, the feedback and reactions of
31 applicants and recipients, any barriers to implementation that
32 were overcome, anticipated future actions, and the department's
33 assessment of the relative success of the implementation.

34 Under the bill, an individual who is an applicant for or
35 recipient of medical assistance based on the individual's

1 age, blindness, or disability who refuses or revokes an
2 authorization required in the bill may be subject to denial or
3 termination of eligibility.

4 The bill directs DHS to adopt rules pursuant to Code chapter
5 17A to administer the bill.